

~~SECRET~~

CIA LIBRARY

INTELLIGENCE SUMMARY

For Week Ending  
27 October 1948

Vol. III No.42

Document No.           ~~SECRET~~          /  
NO CHANGE in Class. ☐  
☒ DECLASSIFIED  
Class. CHANGED TO: TS S C  
DDA Memo, 4 Apr 77  
Auth: DDA REG. 77/1763  
Date: 3 MAR 1978 By: OH

NEAR EAST/AFRICA BRANCH  
OFFICE OF REPORTS AND ESTIMATES  
CENTRAL INTELLIGENCE AGENCY

~~SECRET~~

## SECRET

## 12AR EAST/AFRICA BRANCH

## INTELLIGENCE SUMMARY

For Week Ending  
27 October 1948

Vol. III No. 42

## GREECE

During discussion of the Greek problem in the UN it is possible that the USSR will attempt to have the UN order Markos and Athens to make peace. However, the terms would be those previously laid down by the guerrillas and unacceptable to the Greek Government, including Communist participation in the government, total amnesty for the guerrillas, and an end to "Anglo-American intervention" in Greece. Recent Soviet propaganda has woven familiar threads designed to clothe Markos in robes of legitimacy: the monarcho-fascist nature of the Greek Government, the democratic character of the Markos junta, and the guerrillas' widespread activity and successful defense of Vitsi. The abortive Soviet attempt to allow Markos to send representatives to the UN discussions would, if successful, have given Markos international recognition as a belligerent, thus strengthening his claims to represent a substantial portion of the Greek people. A prominent Greek leftist (not a member of the government) is reported to have discussed reconciliation with Soviet representatives in Paris; the KKE (Communist Party of Greece) has directed its members to build up popular support for reconciliation.

While the Western powers would not support such a proposal, Soviet propaganda could be expected to exploit their opposition. Meanwhile, Greece, which would be embarrassed by such tactics, has little hope of obtaining international action to seal its northern border or of developing a regional defense pact with its neighbors. The UN is unlikely to make any international commitments in Greece beyond strong condemnation of satellite aid to the guerrillas and continuation of UNSCOP (UN Special Committee on the Balkans).

## TURKEY

The possibility of a break in relations with Bulgaria must again be considered, following the most recent "incident." This time, differences between the two countries have arisen because the Bulgarians appear to have condemned to death a Turkish officer who was found on Bulgarian territory. The charge against him, espionage, evidently has even less validity than previous similar charges against officers attached to the Turkish Legation.

SECRET

## 11087



Declassified and Approved For Release 2013/07/22 : CIA-RDP78-01617A004700010026-1

## SECRET

2.

in Sofia. The unfortunate "spy" must be the least competent one in the world, because it seems that he crossed the frontier in uniform and riding on a horse. In short (assuming that these details have been correctly reported), the officer was not a spy, the charge of espionage against him is fantastic, and his execution would be neither more nor less than plain murder. The Turkish public has had just about enough of the crudeness and savagery of the Bulgarian regime. The murder of another Turkish officer is certain to be followed by public clamor for a complete rupture in relations.

## PALESTINE

A Jewish attack on Jerusalem, where Israeli forces are reportedly concentrating, may be imminent. Jewish complaints over the difficulty of supplying an Israeli unit isolated on Mt. Scopus north of Jerusalem bear considerable resemblance to the claim that the recent Negev thrust was necessary to keep open supply routes to isolated Jewish settlements in the area. The Israeli forces may well use this "supply problem" as an excuse for seizing strategic positions around the city. A somewhat similar situation exists in northern Palestine, where fighting has broken out over alleged Arab efforts to prevent the supplying of Jewish settlements in northeastern Galilee. This activity may presage Jewish attempts to take over the whole Galilee area. In the south, meanwhile, the Israeli forces have consolidated their gains in the Negev and seized Beersheba (on the Egyptian communication line to Hebron and Bethlehem). It appears that they are also attempting to break through the Egyptian coastal units to the sea and to take Gaza.

The recent merger of the Arab and Jewish Communist parties of Israel should probably be viewed as a part of a broad program for developing a unified regional Communist movement rather than as an isolated local phenomenon. The hitherto distinct Communist organizations of Syria, Lebanon, Iraq, and Arab Palestine have already banded together to publish a manifesto for Arab consumption. They will probably be joined by the Israeli Communists in a propaganda program which, although recognizing Israel as a going concern, stresses working-class unity as against narrow nationalist interests, Jewish as well as Arab, and blames US-UK "imperialist meddling" for the destructive war in Palestine. Within Israel itself, the present importance of the new consolidated party is problematical. Up to now the Communists have had very little political strength in Palestine. The new party may make some headway with the few Arabs remaining in Israel, however, because it offers them their only rallying point in a state which has shown little concern for their interests.

SECRET

SECRET

3.

\* General Assembly approval of the original Bernadotte plan is now unlikely following Israeli success in the Negeb and in view of the probability that many UN members will support Israeli claims to that area. Approval of the original plan is unlikely unless it receives the strong support of the US and UK and the Jews are forced to withdraw from the Negeb. However, the Assembly will probably attempt a settlement in Palestine by modifying the Bernadotte plan, perhaps allowing the Jews part of the Negeb. Despite Arab opposition, such a solution if strongly backed by the US and UK could probably receive the necessary two-thirds vote. The final test, however, of UN ability to impose a Palestine settlement will be its willingness to agree to a final delimitation of boundaries and to guarantee these boundaries by sanctions or force. The absence of strong UN guarantees of enforcement over a protracted period will result in the Arabs and particularly the Jews continuing to ignore UN decisions, and chaos in the Near East will continue.

\* This article was prepared by the International Organizations Group.

SECRET

## SECRET

4.

## SYRIA

Syria's chronic foreign exchange difficulties have precipitated a petroleum shortage which may have a crippling effect upon the country's economy in the near future. Although the Common Interests agreement with Lebanon is still functioning on a temporary basis, convertibility of Syrian and Lebanese pounds has not been maintained. Syria has been unable to obtain sufficient Lebanese pounds to pay for oil products shipped from the Tripoli refinery, with the result that this source has now been cut off. For some time past, petroleum from other sources has been made available to Syria by Soccony, with the understanding that payment would be made in dollars. Owing to Syria's dollar shortage, this obligation has not been met, Soccony's present outstanding balance claim amounting to some \$650,000. The oil company is now insisting that this balance be reduced immediately by approximately \$200,000 and that future cargoes be paid for on delivery. Suspension of shipments is threatened unless these terms are met.

Although it is anticipated that the difficulties with Tripoli will be cleared up shortly, it is improbable that Syria's dollar position will permit the government to meet Soccony's demands, which means that the country must anticipate a cut of 25 percent in its oil supplies. The ration has already been reduced to meet the expected decrease in supplies. Press and official circles are convinced that this is but another step in the Anglo-American squeeze to force acquiescence in the Bernadotte Plan, thus creating a further strain on Syria's relations with the western powers, a relationship already close to the breaking point.

## TRANSJORDAN

The Egyptian defeat in the Negeb is not regarded by King Abdullah as an unmixd misfortune. He had privately admitted that the maintenance of Egyptian positions immediately south of the area occupied by the Arab Legion was a source of some uneasiness to him in view of the currently strained relations between the two governments. Following the Egyptian withdrawal, the Legion has quietly taken over these positions. The King is also reported to have been giving serious consideration to quitting the Arab League, although as a result of British "advice" he has taken no decisive steps. Obviously, however, he is completely at odds with League policy, and his delegate to the League's Council meeting, scheduled for 30 October in Cairo, will presumably take no part in the proceedings, acting only as Abdullah's observer.

SECRET

## SECRET

5.

## SAUDI ARABIA

ARAMCO is still in the lead. The first oil company to stake out a claim in the Arabian peninsula has gained concession rights to sub-sea Persian Gulf areas. The Superior Oil Company, a US-UK concern new to the Middle East, was hoping that it had the prize in the bag, but King Ibn Saud evidently preferred to clinch the deal with the customer he already knew. The area covered by the concession cannot be precisely determined inasmuch as the extent of Saudi jurisdiction in Persian Gulf waters remains unsettled and in need of legal clarification. The US and UK have been drawing up a plan for the equitable division of sub-surface areas between the several littoral states. It was hoped that the granting of concessions would be delayed until, following consultation with the interested states, the plan had been made public. ARAMCO and Saudi Arabia, however, were apparently unwilling to await the US-UK proclamation although they are keeping the terms of their agreement secret until the proclamation has been issued. At that time, the actual extent of the concession will no doubt be defined.

## IRAQ

Political leaders in Baghdad are disturbed over the possible effect upon the internal security situation should the army be obliged to return to Iraq as a defeated force. The morale of the troops is low, disaffection is rampant, and reports indicate that Communist propaganda is making some headway among them. The Assyrian unit now being recruited is reportedly designed eventually to become the Royal Bodyguard, indicating that the Regent entertains some apprehensions regarding the future of the Hashimite House. His lack of trust in the regular army, which has hitherto been one of his principal sources of support, emphasizes the possibility of a serious internal crisis when these forces return.

## IRAN

By hiring a US group of engineering and industrial consultants, the Iranian Government has provided fresh evidence of its desire to put into effect the long-discussed Seven Year Plan for economic and social development and of its continued reliance on US assistance. Actual work on the development program, however, will probably not start before 1950. Although Iran's US technical advisers (Overseas Consultants, Inc.) are to determine within about two months how comprehensive a program Iran

SECRET

## SECRET

6.

can manage and what procedures, organization, and technical assistance are needed to set it up, definitive studies of the program which must then be made are scheduled to take an additional four or five months. After these studies have been completed, the program, which is expected to involve expenditures of about \$700 million, will have to be approved by the Majlis, which has shown itself quite capable of delaying important legislation indefinitely. Finally, the necessary foreign financing will have to be arranged.

## INDIA-PAKISTAN

The recent disorders in French-owned Mahe, a west coast seaport some 500 miles south of Bombay, indicate the serious possibilities involved in India's persistent pressure to eliminate the French and Portuguese enclaves along its coastline. Although all of these possessions are only minor seaports, India has shown great interest in obtaining them, arguing that all territories in the subcontinent not belonging to Pakistan should accede to India. Both of the colonial powers, however, have remained firm. Portugal, which officially ignores the existence of a problem, has recently reinforced the garrison of its relatively large port of Goa and is presumably prepared to defend its lesser possessions of Damao and Diu as well. The French, who have pledged themselves to conduct plebiscites regarding accession in their five tiny enclaves, have carefully organized the merchant communities in support of continued independence; elections held 24 October in Pondicherry, Karikal, and Yanam for the municipal councils which will set up the plebiscites, were won by pro-French parties. Elections in Chandernagore, a river port only a few miles from Calcutta, have been postponed. India had vainly demanded that these elections be postponed and that, when they were held, Indian observers be present.

The situation in Mahe, where 10,000 Indians reportedly rioted on the day before municipal elections were to be held, is obscure. The French, who have met the challenge by dispatching a cruiser to Indian waters, charge that several thousand Indian nationals invaded Mahe to start the rioting. The Indian Government, which asserts that it has been asked by the local mayor to restore order, denies all complicity in the matter. It is likely, however, that Indian nationals were at least instrumental in precipitating the outbreaks, particularly in view of the exhilarating effect of the easy conquest of Hyderabad on Indian nationalism. Moreover, regardless of the immediate outcome in Mahe, India will continue to agitate for Indian absorption of the French and Portuguese enclaves.

SECRET

~~SECRET~~

7.

## NOTED IN BRIEF

The Sinclair Oil Company has returned to the Ogaden (southeastern Ethiopia) to drill for oil after an absence of nearly ten months. Activities were suspended last January when a mob of Somalis attacked company officials. The difficulties have apparently been ironed out, and British and Ethiopian officials have now guaranteed Sinclair's safety in the area. . . . . Recent changes in the Iraqi Cabinet appear to have little significance. The new members belong to that small, tight group of old-line politicians which has always run the country as a kind of closed corporation. Meanwhile, Iraq's economic and military difficulties lend substance to current rumors that the government may soon fall. . . . . US and UK observers in Iran fear that the Shah may further unsettle the political situation by precipitately demanding constitutional changes which would increase his power at the expense of the Majlis. The Iranian ruler has manifested growing impatience with the parliament's factional maneuvering, which has not only weakened the position of the government but has also stalled its legislative program and impeded its functioning. . . . . The UN Kashmir Commission, in reporting to the Security Council, will probably confine itself to a historical account of the dispute and a mild expression of hope that India and Pakistan will agree on a cease-fire and a plebiscite, carefully avoiding such ticklish subjects as partition, which both dominions oppose. UK officials, who evidently still hope for an out-of-court settlement, feel that the Commission should further shield itself from controversy by not appearing at the UN until Prime Minister Nehru and Liaquat Ali Khan have departed.

~~SECRET~~